

of, and have all rights with respect to Bank Warrants under the applicable Liquidity Facility. Unless the Liquidity Provider shall otherwise direct, any Series 2002-C Warrants purchased by the Liquidity Provider shall be immediately registered in the name of the Liquidity Provider as a Holder (unless held through a Securities Depository, in which case the Series 2002-C Warrants shall be transferred in accordance with the procedures established by the Securities Depository) and the Liquidity Provider shall have all rights of a Holder of Series 2002-C Warrants except that such Series 2002-C Warrants purchased by a Liquidity Provider other than a municipal bond or financial guarantee insurance company will bear interest at the Bank Rate. Pending the delivery of any such Series 2002-C Warrants to, or pursuant to the instructions of, the related purchasing Liquidity Provider, such Series 2002-C Warrants shall be held in trust by the Tender Agent. Under no circumstances shall any such Series 2002-C Warrants be released by the Tender Agent to any Person other than the purchasing Liquidity Provider unless such provider has delivered to the Tender Agent written instructions to do so, which instructions shall specify that the Liquidity Facility in question has been reinstated in an amount corresponding to the Series 2002-C Warrant in question. In no event shall money be drawn under a Liquidity Facility to provide for the purchase of Bank Warrants or warrants owned by the County.

ARTICLE VI

SUPPORT FACILITIES

Section 6.1 Support Facilities – General. The County hereby agrees to maintain a Liquidity Facility meeting the requirements of this Sixth Supplemental Indenture with respect to the Series 2002-C Warrants at all times except during any Auction Rate Period, Term Rate Period or Fixed Rate Period. A Liquidity Facility meeting the criteria set forth in this Sixth Supplemental Indenture may be provided during a Term Rate Period, at the option of the County. Each time the County obtains a Liquidity Facility with respect to Series 2002-C Warrants, the County shall submit such Liquidity Facility to Moody's, if the Series 2002-C Warrants are then rated by Moody's, and to S&P, if the Series 2002-C Warrants are then rated by S&P, and to another rating agency, if the Series 2002-C Warrants are then rated by such rating agency for the purposes of obtaining a rating on such Series 2002-C Warrants. The Trustee shall be furnished with any Liquidity Facility obtained pursuant to this Section 6.1 together with evidence of any rating or ratings obtained on the Series 2002-C Warrants in connection therewith.

Section 6.2 Liquidity Facility. (a) At any time that Series 2002-C Warrants bear interest at an Adjustable Rate (other than an Auction Rate or a Term Rate), the County shall, and at any time that Series 2002-C Warrants bear interest at a Term Rate, the County may, provide for the delivery to the Trustee of a Liquidity Facility that is issued by (1) a financial institution with ratings that are equivalent to or higher than the ratings of the provider of the Liquidity Facility being replaced or (2) a financial institution with a long term debt rating of at least A from S&P or Moody's and that supports ratings at least the equivalent of A-1 from S&P and V-MIG1 from Moody's. The form of such Liquidity Facility shall be approved in writing by the Bond Insurer so long as the Bond Insurer

has not denied in writing its obligations under the Policy and is not in default under the Policy. The Liquidity Facility shall satisfy the definition of "Liquidity Facility" herein and shall be, in case of an Alternate Liquidity Facility, the same as the Liquidity Facility it replaces in all respects material to the security for the Series 2002-C Warrants; provided that (i) the expiration date of such Liquidity Facility shall be a date not earlier than 364 days from its date of issuance (or the length of the Calculation Period with respect to any Series 2002-C Warrant bearing interest at a Term Rate to which such Liquidity Facility applies, if longer), subject to earlier termination upon the occurrence of (a) a Terminating Event or another event of default under the Liquidity Facility or the related reimbursement agreement or other corresponding agreement pursuant to which such Liquidity Facility is issued, (b) the issuance of an Alternate Liquidity Facility, (c) payment in full of the Outstanding Series 2002-C Warrants which are secured by such Liquidity Facility or (d) a Change in the Interest Rate Mode to an Auction Rate, a Commercial Paper Rate, a Term Rate or a Fixed Rate; and (ii) if, between the effective date of a Liquidity Facility and the effective date of an Alternate Liquidity Facility, there occurs a Change in the Interest Rate Mode with respect to some or all of the Series 2002-C Warrants, such Alternate Liquidity Facility shall comply with the requirements applicable to a Liquidity Facility in effect with respect to the new Interest Rate Mode with respect to the Series 2002-C Warrants so affected. On or prior to the date of the delivery of an Alternate Liquidity Facility or an amendment to a Liquidity Facility (other than an amendment which only extends the expiration date of an existing Liquidity Facility) (a "Liquidity Facility Amendment") to the Trustee, the County shall furnish to the Trustee (a) an opinion of Bond Counsel stating that the delivery of such Alternate Liquidity Facility or Liquidity Facility Amendment to the Trustee is authorized under this Sixth Supplemental Indenture and complies with the terms hereof and (b) written confirmation from S&P, if the Series 2002-C Warrants are then rated by S&P, and from Moody's, if the Series 2002-C Warrants are then rated by Moody's, and from another rating agency, if the Series 2002-C Warrants are then rated by such rating agency, to the effect that such rating agency has reviewed the proposed Alternate Liquidity Facility or Liquidity Facility Amendment and that the substitution of the proposed Alternate Liquidity Facility for the existing Liquidity Facility or the delivery of the Liquidity Facility Amendment will not result in a reduction or withdrawal of its long- or short-term rating of the Series 2002-C Warrants below the rating of S&P or Moody's or such other rating agency, as the case may be, then in effect with respect to the Series 2002-C Warrants.

(b) If the County delivers an Alternate Liquidity Facility in substitution for a Liquidity Facility or a Liquidity Facility Amendment which will result in a reduction in or withdrawal of the short-term or long-term rating (or both) assigned to such Series 2002-C Warrants by Moody's or S&P or such other rating agency as a result of the Alternate Liquidity Facility or Liquidity Facility Amendment, all Series 2002-C Warrants (unless the Series 2002-C Warrants bear interest at an Auction Rate or Fixed Rate) shall be subject to mandatory tender for purchase pursuant to Section 5.4. It shall be a condition to the delivery of such an Alternate Liquidity Facility or Liquidity Facility Amendment that the Opinion of Bond Counsel referred to in the preceding paragraph be obtained. The County shall deliver notice to the Trustee of the substitution of an Alternate Liquidity Facility or the delivery of a Liquidity Facility Amendment which will result in a reduction or withdrawal in the short-term or long-term ratings assigned to the Series 2002-C Warrants pursuant to this Section 6.2 at least 45 days before the date of substitution or amendment.

(c) If the Liquidity Provider of a Liquidity Facility should fail to maintain short-term ratings equivalent to A-1 from S&P and P-1 from Moody's, and such Liquidity Provider is not replaced within 12 months, all Series 2002-C Warrants secured by such Liquidity Facility shall be subject to mandatory tender for purchase pursuant to Section 5.4. The County shall require the Liquidity Provider to promptly notify the Trustee that the short-term ratings of the Liquidity Provider have been reduced below the levels described in the preceding sentence.

(d) In any instance in which the Trustee accepts a new Liquidity Facility, or an amendment to an existing Liquidity Facility, under such circumstances that a mandatory tender of the Series 2002-C Warrants covered or to be covered by such Liquidity Facility is not required, the Trustee shall mail a written notice (including the provider, amount and expected effective date) of such Liquidity Facility (and the related substitution), or such amendment, to the Holders of the affected Series 2002-C Warrants at least 15 days prior to the effective date of such new Liquidity Facility or such amendment.

Section 6.3 Alternate Credit Facility. The County may, at its option and consistent with this section, obtain an Alternate Credit Facility in substitution for or in addition to the initial Policy or other Alternate Credit Facility. On or prior to the date of delivery of such Alternate Credit Facility, the County shall deliver to the Trustee (a) an opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility to the Trustee is authorized under this Sixth Supplemental Indenture and complies with the terms hereof and (b) in the case of a substitution or addition of a Credit Facility, written confirmation from S&P, if the Series 2002-C Warrants are then rated by S&P, and from Moody's, if the Series 2002-C Warrants are then rated by Moody's, and from another rating agency, if the Series 2002-C Warrants are then rated by such rating agency, to the effect that such rating agency has reviewed the proposed Alternate Credit Facility and that the substitution of the proposed Alternate Credit Facility for the existing Credit Facility (or proposed addition of a Credit Facility) will not, by itself, result in a reduction or withdrawal of its long- or short-term rating of the Series 2002-C Warrants below the rating of S&P or Moody's or such other rating agency, as the case may be, then in effect with respect to the Series 2002-C Warrants. If any such substitution or addition occurs, or any Credit Facility is surrendered, cancelled, terminated, amended or modified in any material respect, when there is a Liquidity Facility in effect with respect to the Series 2002-C Warrants or any Bank Warrants are outstanding, or prior to the conversion of the interest rate for all of the Series 2002-C Warrants to the Fixed Rate, the prior written consent of the Liquidity Facility Provider shall be required with respect to the substitution of the Policy or Alternate Credit Facility with such Alternate Credit Facility, or for the addition of a new Credit Facility, or for any such surrender, cancellation, termination, amendment or modification of such Credit Facility. In any instance in which an Alternate Credit Facility is delivered to the Trustee or any Credit Facility is surrendered, cancelled, terminated, amended or modified in any material respect, the Trustee shall mail a written notice of such action to the Holders of the affected Series 2002-C Warrants, with such notice to be mailed (a) at least 15 days prior to the effective date of any such Alternate Credit Facility or (b) as soon as practicable in the case of any surrender, cancellation, termination, amendment or modification in any material respect of any existing Credit Facility.

Section 6.4 **Maintenance and Performance of Credit Facilities.** The County covenants (i) to maintain at all times a Credit Facility for Series 2002-C Warrants with respect to which a Liquidity Facility is in effect and (ii) to use its best efforts to cause each issuer of a Credit Facility to comply at all times with its obligations thereunder.

ARTICLE VII

APPLICATION OF PROCEEDS

Section 7.1 **Proceeds From Sale of Series 2002-C Warrants.** The proceeds from the sale of the Series 2002-C Warrants to the original purchaser or purchasers thereof (net of underwriter's discount) shall be applied as follows:

(i) the sum of \$8,277,304.92 shall be paid to the Bond Insurer as the premium for the Policy;

(ii) the sum of \$95,000.00 shall be paid to the Initial Banks as the aggregate commitment fee for the Initial Liquidity Facilities;

(iii) the sum of \$825,919,397.00 shall be paid into the escrow fund established by the County with the Trustee to provide for the payment and redemption of those Parity Securities being refunded; and

(iv) the balance shall be deposited in the Issuance Cost Account.

Section 7.2 **Issuance Cost Account.** There is hereby created a special account the full name of which shall be the "Series 2002-C Warrants Issuance Cost Account." The Issuance Cost Account shall be maintained as a separate account until the moneys in said account shall have been fully expended as hereinafter provided. The Trustee shall be the depository and disbursing agent for the Issuance Cost Account.

The County will apply the moneys in the Issuance Cost Account solely for payment of the Issuance Costs, as and when such costs become due and payable. The President of the Governing Body or any Authorized County Representative is hereby authorized and directed to cause the said costs to be paid, as promptly as may be feasible following the issuance of the Series 2002-C Warrants, by submitting to the Trustee requisitions signed by any one of said officers directing the payment of the costs specified in said requisition.

In the event the moneys deposited in or transferred to the Issuance Cost Account are not sufficient to pay all Issuance Costs, the President of the Governing Body is hereby authorized and directed to pay, out of any other funds of the County available therefor, the remainder of such costs. If any moneys remain in the Issuance Cost Account after the payment of all costs of issuing the Series

2002-C Warrants, the Trustee shall transfer such moneys to the County upon receipt of a certificate signed by the President of the Governing Body or any Authorized County Representative stating that all expenses of issuing the Series 2002-C Warrants, to the extent known to or anticipated by the County, have been paid in full, in which event the moneys so transferred to the County shall be applied for payment of the costs of capital improvements to the System.

ARTICLE VIII

WARRANT PURCHASE FUND

Section 8.1 **Warrant Purchase Fund.** (a) There is hereby established a special trust fund which shall be designated the "Jefferson County Sewer System Series 2002-C Warrant Purchase Fund". The Tender Agent shall be the depository, custodian and disbursing agent for the Warrant Purchase Fund. Separate accounts shall be maintained within the Warrant Purchase Fund for each subseries of the Series 2002-C Warrants. So long as separate subseries exist, references in this Article VIII to deposits into and disbursements from the Warrant Purchase Fund shall be deemed to refer to each of the particular subseries accounts and the particular Liquidity Facility, remarketing efforts and Series 2002-C Warrants related thereto.

(b) There shall be deposited in the Warrant Purchase Fund, as and when received:

(1) the proceeds of any remarketing of Series 2002-C Warrants by the Remarketing Agent,

(2) money received by the Tender Agent from the Liquidity Provider pursuant to the Liquidity Facility with respect to the Purchase Price of Series 2002-C Warrants payable on the related purchase date,

(3) all other money required to be deposited in the Warrant Purchase Fund pursuant to this Sixth Supplemental Indenture, and

(4) all other money received by the Tender Agent when accompanied by directions that such money is to be deposited in the Warrant Purchase Fund.

(c) The Tender Agent is hereby authorized and directed to withdraw sufficient money from the Warrant Purchase Fund to pay the Purchase Price of Series 2002-C Warrants due on any purchase date.

(d) Funds for the payment of the Purchase Price of Series 2002-C Warrants shall be derived from the following sources in the order of priority indicated:

(1) **First**, proceeds from the remarketing of Series 2002-C Warrants.

(2) **Second**, money advanced under the Liquidity Facility.

(3) **Third**, any other money on deposit in the Warrant Purchase Fund.

Any money advanced under the Liquidity Facility shall be held in a separate, segregated account in the Warrant Purchase Fund and shall not be commingled with other money in the Warrant Purchase Fund. Such money shall be used only to pay the Purchase Price of Series 2002-C Warrants.

(e) On each purchase date money in the Warrant Purchase Fund from any source other than the Liquidity Facility remaining after payment of the Purchase Price of all Series 2002-C Warrants (or after segregating money for such purpose as provided in Section 8.2) shall be applied by the Tender Agent for the following purposes in the order of priority indicated:

(1) **First**, the Tender Agent shall reimburse the Liquidity Provider, prior to the close of business on such date, for the amount advanced under the Liquidity Facility for payment of the Purchase Price of Series 2002-C Warrants.

(2) **Second**, the balance, if any, shall be paid to the County.

(f) If proceeds from the remarketing of the Series 2002-C Warrants are deposited in the Warrant Purchase Fund after such purchase date, such proceeds shall be applied as provided in subsection (e) of this section.

(g) Any moneys held in the Warrant Purchase Fund may be invested only in Federal Obligations (other than Treasury Receipts) that mature not later than the earlier of (i) thirty (30) days after the date of making such investment or (ii) the date on which such moneys will be needed to pay the Purchase Price of any Series 2002-C Warrants.

Section 8.2 Money for Warrant Purchases to be Held in Trust; Repayment of Unclaimed Money. (a) If money is on deposit in the Warrant Purchase Fund on any purchase date sufficient to pay the Purchase Price of the Series 2002-C Warrants to be paid on such date, but the Holder of any Series 2002-C Warrant fails to deliver such warrant to the Tender Agent for payment of such Purchase Price on such date, the Tender Agent shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay such Purchase Price due and payable on such Series 2002-C Warrant on such purchase date. Money so segregated and held in trust shall not be a part of the Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Purchase Price.

(b) Any money held in trust by the Tender Agent for the payment of the Purchase Price of any Series 2002-C Warrant pursuant to subsection (a) of this section and remaining unclaimed for three years after such Purchase Price has become due and payable shall be paid to the County upon request of an Authorized County Representative; and the Holder of such Series 2002-C Warrant shall thereafter, as an unsecured general creditor, look only to the County for payment thereof, and all

liability of the Tender Agent with respect to such trust money, and all liability of the County with respect thereto, shall thereupon cease; provided, however, that the Tender Agent, before being required to make any such payment to the County, may at the expense of the County cause to be published once, in a newspaper of general circulation in the city where the Office of the Tender Agent is located, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be paid to the County.

ARTICLE IX

PROVISIONS CONCERNING THE POLICY

Section 9.1 Payment Provisions. If, on the third Business Day prior to the related scheduled Interest Payment Date or principal payment date ("Payment Date"), there is not on deposit in the Debt Service Fund, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of, and interest on, Series 2002-C Warrants due on such Payment Date, the Trustee shall give notice to XLCA and to its designated agent (if any) (the "Insurer's Fiscal Agent"), by telephone or telecopy, of the amount of such deficiency by 10:00 a.m., New York City time, on such Business Day. If, on the Business Day prior to the related Payment Date, there is not on deposit with the Trustee moneys sufficient to pay the principal of, and interest on, the Series 2002-C Warrants due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to XLCA and the Insurer's Fiscal Agent (if any) by telephone of the amount of any deficiency in the amount available to pay principal and interest, and the allocation of such deficiency between the amount required to pay interest on the Series 2002-C Warrants and the amount required to pay principal of the Series 2002-C Warrants, confirming in writing to the related Insurer and the Insurer's Fiscal Agent by 10:00 a.m., New York City time, on such Business Day, by delivering the Notice of Nonpayment and Certificate.

For the purposes of the preceding paragraph, "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from the Trustee to XLCA, which notice shall specify (a) the name of the entity making the claim, (b) the policy number, (c) the claimed amount and (d) the date such claimed amount will become Due for Payment. "Nonpayment" means the failure of the County to have provided sufficient funds to the Trustee for payment in full of all principal of, and interest on, the Series 2002-C Warrants that are Due for Payment. "Due for Payment," when referring to the principal of Series 2002-C Warrants, means when the stated maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity, unless XLCA shall elect, in its sole discretion, to pay such principal due upon such acceleration; and, when referring to interest on Series 2002-C Warrants, means when the stated date for payment of interest has been reached. "Certificate"

means a certificate in form and substance satisfactory to XLCA as to the Trustee's right to receive payment under Insurance Policy.

The Trustee shall designate any portion of payment of principal of Series 2002-C Warrants paid by XLCA at maturity on its books as a reduction in the principal amount of Series 2002-C Warrants registered to the then current Warrantholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2002-C Warrant to XLCA, registered in the name of XLCA, in a principal amount equal to the amount of principal so paid (without regard to Authorized Denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2002-C Warrant shall have no effect on the amount of principal or interest payable by the County on any Series 2002-C Warrant or the subrogation rights of XLCA.

The Trustee shall keep a complete and accurate record of all funds deposited by XLCA into the Policy Payments Account (as hereinafter defined) and the allocation of such funds to payment of interest on and principal paid with respect to any Series 2002-C Warrant. XLCA shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of holders of Series 2002-C Warrant referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under Insurance Policy in trust on behalf of holders of Series 2002-C Warrants and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to holders of Series 2002-C Warrants in the same manner as principal and interest payments are to be made with respect to the Series 2002-C Warrants under the sections hereof regarding payment of Series 2002-C Warrants. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

Any funds remaining in the Policy Payments Account following a Series 2002-C Warrant payment date shall promptly be remitted to XLCA.

Section 9.2 Miscellaneous Special Provisions Respecting XLCA. (a) XLCA shall receive immediate notice of any default in payment of principal of or interest on the Series 2002-C Warrants and notice of any other Event of Default known to the Trustee within 30 days of the Trustee's knowledge thereof.

(b) For all purposes of Article XIII of the Original Indenture, except the giving of notice of default to Holders of Series 2002-C Warrants, XLCA shall be deemed to be the sole holder of the

Series 2002-C Warrants it has insured for so long as it has not failed to comply with its payment obligations under the Policy.

(c) XLCA shall be treated as a party in interest and as a party entitled to (i) notify the Trustee of the occurrence of an Event of Default and (ii) request the Trustee to intervene in judicial proceedings that affect the Series 2002-C Warrants or the security therefor.

(d) Any amendment or supplement to the Indenture shall be subject to the prior written consent of XLCA. XLCA shall be deemed to be the holder of all outstanding Series 2002-C Warrants for the purpose of consenting to any proposed amendment or supplement to the Indenture (except for any such amendment or supplement that, under the provisions of the Indenture, requires the consent of the Holder of each outstanding Series 2002-C Warrant).

(e) Any notices to XLCA pursuant to the Indenture shall be sent to the following address (unless and until a different address is specified in writing to the County and the Trustee):

XL Capital Assurance, Inc.
250 Park Avenue, 19th Floor
New York, New York 10177
Attention: Surveillance

ARTICLE X

MISCELLANEOUS

Section 10.1 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture are hereby in all things confirmed, and they shall remain in full force and effect. Further, the County does hereby confirm the pledge made in the Indenture with respect to the revenues derived from all properties now or hereafter constituting a part of the System, including specifically, without limiting the generality of the foregoing, all properties acquired as a part of the System since the execution and delivery of the Original Indenture.

Section 10.2 Debt Service Fund Deposits Referable to Series 2002-C Warrants. In order to provide funds for the payment of the principal of and the interest on the Series 2002-C Warrants, there shall be transferred or paid into the Debt Service Fund, out of moneys held in the Revenue Account, the following amounts at the following times:

(1) on or before each Interest Payment Date with respect to the Series 2002-C Warrants, an amount equal to the interest becoming due with respect to the then outstanding Series 2002-C Warrants on such Interest Payment Date; and

(2) on or before February 1, 2007, and on or before each February 1 thereafter until and including February 1, 2040, an amount equal to the principal amount of Series 2002-C Warrants maturing or subject to mandatory redemption on each such date.

The Debt Service Fund deposits required by this Section 10.2 shall be in addition to the deposits respecting the Outstanding Parity Securities required by the Original Indenture and by the First, Second, Third, Fourth, Fifth and Sixth Supplemental Indentures.

Section 10.3 Book-Entry Procedures Applicable to Series 2002-C Warrants. (a) Except as provided in Section 10.3(c) hereof, the registered owner of all of the Series 2002-C Warrants shall be The Depository Trust Company ("DTC") and the Series 2002-C Warrants shall be registered in the name of Cede & Co., as nominee of DTC. Payment of interest for any Series 2002-C Warrant registered as of a Record Date in the name of Cede & Co. shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date at the address indicated on the Record Date for Cede & Co. in the registry books of the County kept by the Trustee.

(b) The Series 2002-C Warrants shall be initially issued in the form of a single authenticated fully registered warrant for each separate subseries, each with a stated maturity of February 1, 2040. Upon initial issuance, the ownership of such Series 2002-C Warrant shall be registered in the registry book of the County kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2002-C Warrants registered in its name for the purposes of payment of the principal or redemption price of or interest on such Series 2002-C Warrants, selecting such Series 2002-C Warrants or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2002-C Warrants under the Indenture, registering the transfer of Series 2002-C Warrants, obtaining any consent or other action to be taken by Holders of Series 2002-C Warrants and for all other purposes whatsoever; and neither the Trustee nor the County shall be affected by any notice to the contrary. Neither the Trustee nor the County shall have any responsibility or obligation to any DTC participant, any Person claiming a beneficial ownership interest in the Series 2002-C Warrants under or through DTC or any DTC participant, or any other Person which is not shown on the registration books of the County kept by the Trustee as being a Holder of Series 2002-C Warrants. The County and the Trustee shall have no responsibility with respect to the accuracy of any records maintained by DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Series 2002-C Warrants; the payment by DTC or any DTC participant to any beneficial owner of any amount in respect of the principal or redemption price of or interest on the Series 2002-C Warrants; the delivery to any DTC participant or any beneficial owner of any notice which is permitted or required to be given to Holders of the Series 2002-C Warrants under the Indenture; the selection by DTC or any DTC participant of any Person to receive payment in the event of a partial redemption of the Series 2002-C Warrants; or the authority for any consent given or other action taken by DTC as the Holder of Series 2002-C Warrants. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2002-C Warrants only to Cede & Co., as nominee of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County's

obligations with respect to the principal of and premium, if any, and interest on such Series 2002-C Warrants to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co. and direction to effect such change on the registry books maintained by the Trustee, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event the County determines that it is in the best interest of the beneficial owners of the Series 2002-C Warrants that they be able to obtain warrant certificates, the County may notify DTC and the Trustee of the availability through DTC of warrant certificates. In such event, the Trustee shall issue, transfer and exchange warrant certificates as requested by DTC and any other Holders of Series 2002-C Warrants in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2002-C Warrants at any time by giving notice to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and Trustee shall be obligated to deliver warrant certificates as described in the Indenture. In the event warrant certificates are issued to Holders of the Series 2002-C Warrants other than DTC, the provisions of Article V of the Original Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Trustee to do so, the County and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2002-C Warrants to any DTC participant having Series 2002-C Warrants credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2002-C Warrants.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2002-C Warrant is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 2002-C Warrant and all notices with respect to such Series 2002-C Warrant shall be made and given to DTC as provided in the Representation Letter to be signed by the County and the Trustee on or prior to the date of issuance and delivery of the Series 2002-C Warrants and accepted by DTC. Without limitation of the foregoing, so long as any Series 2002-C Warrant is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall send a copy of any notice of redemption by overnight delivery not less than thirty (30) days before the redemption date to DTC, but such mailing shall not be a condition precedent to such redemption and failure to so mail any such notice (or failure of DTC to advise any DTC participant, or any DTC participant to notify the beneficial owner, of any such notice or its content or effect) shall not affect the validity of the proceedings for the redemption of the Series 2002-C Warrants.

(e) In connection with any notice or other communication to be provided to Holders of the Series 2002-C Warrants pursuant to the Indenture by the County or the Trustee with respect to any consent or other action to be taken by Holders of the Series 2002-C Warrants, so long as any Series 2002-C Warrant is registered in the name of Cede & Co., as nominee of DTC, the County or the Trustee, as the case may be, shall establish a record date for such consent or other action and give

DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

(f) In the event of any inconsistency between the provisions of this Section 10.3 and any other provision of the Indenture or the forms of Series 2002-C Warrants, the provisions of this Section 10.3 shall govern so long as warrant certificates have not been issued to the Holders of the Series 2002-C Warrants other than DTC in accordance with Section 10.3(c) hereof.

Section 10.4 Tax Covenants. The County recognizes that the Holders of the Series 2002-C Warrants from time to time will have accepted them on, and paid therefor a price which reflects, the understanding that interest on the Series 2002-C Warrants is excluded from gross income for federal income tax purposes under the laws in force at the time the Series 2002-C Warrants shall have been delivered. In this connection the County covenants (i) that it will not take any action or omit to take any action if the taking of such action or the failure to take such action, as the case may be, will result in the interest on any of the Series 2002-C Warrants becoming includable in gross income for purposes of federal income taxation, (ii) that it will use the "proceeds" of the Series 2002-C Warrants and any other funds of the County in such a manner that the use thereof, as reasonably expected by the County at the time of issuance of the Series 2002-C Warrants, will not cause the Series 2002-C Warrants to be "arbitrage bonds" under Section 103(b)(2) and Section 148 of the Code and the regulations thereunder and (iii) that it will satisfy the requirements of Section 148(f) of the Code and the applicable regulations thereunder. The County further covenants and agrees that it will not permit at any time any "proceeds" of the Series 2002-C Warrants or any other funds of the County to be used, directly or indirectly, in a manner which would result in any Series 2002-C Warrant being classified as a "private activity bond" within the meaning of Section 141(a) of the Code. The officers and employees of the County shall execute and deliver from time to time, on behalf of the County, such certificates, instruments and documents as shall be deemed necessary or advisable to evidence compliance by the County with said Section 103(b)(2) and Section 148 and the regulations thereunder with respect to the use of the proceeds of the Series 2002-C Warrants. Such certificates, instruments and documents may contain such stipulations as shall be necessary or advisable in connection with the stated purpose of this section and the foregoing provisions hereof, and the County hereby covenants and agrees to comply with the provisions of any such stipulations throughout the term of the Series 2002-C Warrants.

Section 10.5 Remarketing Agents. UBS PaineWebber, Inc. is hereby appointed as the initial Remarketing Agent for the Series 2002 C-2 Warrants, Series 2002 C-3 Warrants and Series 2002 C-4 Warrants. Morgan Keegan & Company, Inc. is hereby appointed as the initial Remarketing Agent for the Series 2002 C-5 Warrants, Series 2002 C-6 Warrants and Series 2002 C-7 Warrants. Such initial Remarketing Agents shall serve as such under the terms and provisions hereof and of the respective Remarketing Agreements for the Series 2002-C Warrants. The County may appoint additional Remarketing Agents and successors to any thereof to serve as such under the provisions hereof and of a Remarketing Agreement. The Remarketing Agent for the Series 2002-C Warrants or any subseries of Series 2002-C Warrants, including any successor appointed pursuant thereto, shall be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least